

**STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
MAY 2006**

Date: June 23, 2006

To: All Civil Service/Exempt Departments

From: State Controller's Office
Pam Keegan, Manager
Cynthia Rounds, Manager
Personnel/Payroll Operations
(916) 323-2539/324-6290

Re: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the May 11, 2006 Personnel/Payroll Committee (PPRC) Meeting and provides information for the July 13, 2006 meeting.

We would like to thank those department representatives that participated in the May meeting for their time and effort. There were 36 representatives from 23 departments that participated in this meeting.

Personnel/Payroll Review Committee
May 11, 2006 Meeting Notes

Pam Keegan called the meeting to order at 1:30.

Departments Represented:

Alcohol and Drug Programs, Alcohol Beverage Control, California Integrated Waste Management, California Energy Commission, California Highway Patrol, CalPERS, Consumer Affairs, Developmental Services, Environmental Health Hazard, Financial Institutions, Food and Ag, Forestry and Fire Protection, Franchise Tax Board, Health Services, Industrial Relations, Motor Vehicles, Rehabilitation, Secretary of State, State Controllers Office, Toxic Substance Control, Transportation, Unemployment Insurance Appeals Board and Veteran Affairs.

Old Business:

None

New Business:

Agenda Items
Distribute Handout Materials
Approve Prior Meeting Notes
Guest Speakers
SCO Update
Department Issues/Concerns
Confirm Next Meeting Agenda, Time and Place

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Discussion:

Approved March 2006 meeting notes.

Guest Speaker:

Glenda Hlawaty, CalPERS, EMHS Eligibility and Enrollment Section, (916) 795-1242, addressed the group on Direct Pay of Health premiums. We have changed the procedure for taking an employee off payroll deduction for health due to our need to have consistency with our other employers who are not State agencies. The new procedure is to key a cancel to ACES if the employee is not on direct pay status and if necessary follow up with an HBD12 for audit purposes. Then when your employee returns to pay status, update the employee's status in ACES to begin the deduction again. This is necessary even though the PAR transactions would, in most cases, accomplish the same result.

Question: Do we need to send a check for the Health premiums when an employee is on Direct Pay?

Answer: No, the carrier can bill the employee for the premium if all the documentation is complete.

Circular Letter 600-214-05 dated 3-28-05 provides additional information on this process. The letter covers:

Why the change in procedure was made
Event Codes for changing
Employee's responsibility
Employer's responsibility
New reason codes

Pam Keegan provided some information supplied by Dave Edwards, Manager SCO's, Customer Support Section, who was unable to attend the meeting.

The SDI handout below is based on internal document processing. It covers some helpful hints to use when documenting from NDI to SDI and EH documentation.

Converting an employee from NDI to SDI

Process an S57 effective 4/1/06 BOB pending approval of SDI. Once SDI is approved, void the S57 and proceed to instructions below:

If employee chooses to use leave credits to cover WP and/or prior to going on SDI,
1) Process A03 effective 4/1/06.

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2) Process S50 for SDI/LOA effective after WP or usage of leave credits.

If employee does not have leave credits to cover WP or to used prior to SDI,

- 1) Process A03 effective 4/1/06 w/ **"NON"** in item 606.
- 2) Process an S50 for SDI/LOA per Payroll Letter 06-005

SDI EH Documentation

Once SDI and/LOA is approved process an S50 effective after the 7-day WP or after the last day on your attendance (if employee elects to use Leave Credits in lieu of SDI).

Item 603, Reason for Separation:

Must be completed to denote eligibility for FMLA or non-eligibility for FMLA.

If eligibility for FMLA changes while on SDI, process 2nd S50 and change Item 603 to reflect current reason for separation code. The effective date should be the date of the FMLA status change.

Item 645, Separation Expiration Date:

List the anticipated date of return or,

If date of return is unknown, the date should be one year from the effective date of the S50.

Working while on SDI

Process an S50 and indicate in Item 215, **"Working on SDI"**.

Post 715, Service Pay Period Transaction, to qualify the pay period(s) if the employee has 11 days or more of regular pay in the pay period.

If employee changes from **"Working on SDI"** to no longer working, post a 215 transaction with **"Full SDI"** in the remarks.

When the employee returns to normal work status, no longer on SDI, process an A03.

A needs assessment for Statewide training and Leave Accounting classes will begin May 10th at 8:00 am and end May 17th. Please submit early to be at the top of the list for class scheduling. The Training catalogue is distributed via Leave Accounting letter 06-00, and Personnel Letter 06-006.

Statewide training will offer Corrective Actions, PAR Documentation and EH Overview in the Fall 2006 semester. Debra Clary is the new statewide trainer for these programs

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Question: Is there any training planned on SDI? We need training on how to document employees who are on NDI and switching to SDI, and employees who want to use leave or work while on SDI.

Answer: At this time we do not have Statewide Training classes planned for SDI.

The new MIRS reports can be used as of May 1st to capture hours towards SISA, MSA, Range Change, Retirement, Waiting periods for Vacation and PH, 1500 hours maximum and Health and Dental. The five new MIRS reports capture information towards VA/PH Waiting periods, retirement eligibility, max hours worked (1500), MSA and SISA and Range Change. The MIRS Health and Dental eligibility tracking reports are already out in the common library.

The following handout was shared that show some new MIRS reports that can be accessed from the common library of MIRS reports.

Question: The way to retrieve the Intermittent tracking information recently released as part of CLAS is by using MIRS reports, is that right?

Answer: Yes. Below you will find the new reports that can be used for these new benefits.

The MIRS reports are in the common library:

INT003A - Report that identifies intermittent employees with 960 hours or more towards their vacation/personal holiday waiting period. Based on the Leave Benefit Id 'WP' (PH/VA Waiting Period).

INT004A - Report that identifies intermittent employees who are not currently enrolled in a retirement plan and have become eligible. Based on the Leave Benefit Id 'RT' (Retirement).

INT006A - Report that identifies intermittent employees reaching their maximum hours to work. Based on the Leave Benefit Id 'MX' (Maximum Hours Worked).

INT009 - Report that identifies intermittent employees who have reached the end of their 960 hours towards a SISA increase or the 1920 hours towards the MSA increase. Based on the Leave Benefit Id 'MA' or 'SA' (MSA/SISA).

INT010 - Report that identifies intermittent employees who have reached the end of their alternate range of 6 or 12 months. Based on the Leave Benefit Id 'AC' or 'AY' (Alt Range Change 960/1920).

To execute these reports remember to follow your Common Library Flowchart. We are enclosing a copy of the new reports in the Common Library. We encourage you to print out a hard copy, so you can refer back to this when you receive a request to write a MIRS report.

Personnel/ Payroll Operations Update:

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Pam Keegan addressed the following:

Please use the attached telephone list for our most current liaison numbers.

Please review the numbers you may have programmed into your phones or have on old charts we may have distributed to be sure you are using the most current numbers for our various liaisons. Direct Deposit is an example; even though we changed the phone number a few years ago, calls are still going to the old numbers, which now belong to a technical staff person and her supervisor within the Civil Service payroll area. It is extremely important to use the correct numbers to get a timely response from the correct group.

LIAISON NAME	PHONE
Benefits Liaison	(916) 323-4718
Civil Service Payroll Liaison	(916) 323-3081
Direct Deposit	(916) 327-5023
Disability Liaison	(916) 322-3619
Garnishments	(916) 323-0553
Leave Accounting Liaison	(916) 327-0756
MIRS	(916) 324-7268
Miscellaneous Deductions	(916) 324-1981
Non USPS	(916) 322-8100
Personnel Liaison	(916) 322-6500
Position Control	(916) 323-4928
Premium Pay	(916) 324-5309
Retirement/Social Security	(916) 324-1471
Retroactivity	(916) 327-0357
Savings Bonds	(916) 323-9035
Statewide Locator	(916) 322-2760

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LIAISON NAME	PHONE
Statewide Training Administrator	(916) 322-0683
W-2 Liaison	(916) 322-8100
Duplicate W-2	(916) 322-8052

If you need assistance in an area not listed, please call the receptionist at (916) 445-5361.

The new cut off date for Administrative Cancellation Letters from employees is the 15th of the month. The PPM (Sections H 014-H015) is being revised. The SCO web site has been revised to reflect this date. Here is a link for the **How to Cancel a Deduction** web page: <http://www.sco.ca.gov/ppsd/empinfo/howto/deduct.shtml>

For separations where the master has already issued and the separation is effective prior to the end of the month, **DO NOT redeposit these masters**. Some time ago, we agreed that SCO staff would proceed with the transfer of funds from regular pay to lump sum pay. Additionally, we refund the applicable retirement and SDI for that amount that is transferred to lump sum. When you redeposit the master, we have to reverse the transfers and many times, the refund payment (SDI and retirement) is not returned. This refund would then be considered an overpayment to the employee. Please refer to your PPRC meeting notes for March 2004 and again for January 2005.

For separations, if you are correcting lump sum information, but the time in 606 is not changing, do not enter "NON" on the correcting PAR. When you enter "NON", the lump sum will not issue and actually this then is an indicator that any regular pay that was previously issued is an overpayment. If you are not changing item 606, leave item 606 blank, the time will automatically be carried forward. The system will read that the regular pay has already issued and will not attempt to issue it a second time, and it will allow the lump sum to issue.

Question: We spent a lot of time researching old ARs, per a PR250, to verify the status. What can we do to save ourselves time?

Answer: We are sending a PR250 to advise you that more than 3 years ago we notified your agency that there was a pending Account Receivable. This notice says, ***"This appears to be an overpayment beyond the 3 year statute of limitations. We cannot take action to recoup the overpayment pursuant to AB1283, unless the action was initiated within the three years from the date of overpayment. See PPM I 015."*** The current process consists of determining what action you as a department took. Did you notify the employee of the overpayment, did you set up the AR?

If the action was initiated within the three years then you can submit documentation to us to pursue the AR. We can then take appropriate action since the requirements of notifying the employee timely have been met.

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Cynthia Rounds provided the following list of Fiscal Year End critical dates:

05/23/06 - Return Annual Header Forms PR421 and Finance Conversion Code Listings to Position Control

06/01/06 - Return Position Roster/Reorganization Instruction Letter to Position Control

06/07/06 - Deadline to submit 607 listings to Position Control to ensure processing prior to June 30th

06/15/06 - Deadline to submit individual 607s to Position Control to ensure processing prior to June 30th

06/23/06 - Employment History records should be updated to reflect the correct position number no later than 06/23/06 to allow for interfacing with the Payroll system to issue pay or transfer funds.

06/27/06 - Last Payroll Cycle of the current fiscal year; payroll transactions to clear vacant positions identified for abolishment must process no later than this date.

06/30/06 - Vacant Positions will be abolished - Report technical errors (607/PAR) and prior FY Lump Sum to Position Control prior to 6/30

08/15/06 - Deadline to submit Z# 607 (Self certification re-establishment) or to report technical errors (607/PAR) and prior FY Lump Sum to Position Control – after this date an X# 607 to Department of Finance for approval will be required.

09/11/06 - Deadline for submitting X# 607 documents to Department of Finance for approval.

Question: Will we receive another Section 40 report?

Answer: Another paper version of the Probable Vacant Position report will not be sent out. However, we do run another Probable Vacant Report the end of May, which will be available June 1, 2006 on View Direct.

Question: The claim form for our employee on SDI went to the wrong department address and it was a date sensitive document. How can we prevent this from happening?

Answer: The employee enters the work address on these forms. Your employees need to be educated on the correct address for your agency situation. Some agencies want the claim form to go to the main Human Resources office. Others want it to go to the work site.

Question: What is the issue with posting a 715 for an employee working while on SDI?

Answer: Departments were instructed, in Payroll letter 06-005, to post a 715 transaction for Employees working while on SDI who have a qualifying pay period.

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The system does not allow them to key this. The error message received is: 715-03
"SERVICE PAY PERIOD MUST EQUAL 'N' WITH DATE PRESENT".

In the past, the system allowed departments to qualify a pay period when an employee was working while on NDI. We are working on modifying the system to allow this for an employee working while on SDI as well.

In the mean time, departments can keep a tickler file, or post a 215 transaction in history flagging a qualifying pay period.

Next Meeting:

The next meeting is Thursday July 13, 2006 from 1:30 to 3:00 at:

State Controller's Office
300 Capitol Mall, 6th Floor, Room 635
Sacramento, CA 95814

Listed below are the PPRC meeting dates for the 2006 calendar year. All meetings are from 1:30 to 3:00 at the above location.

September 14, 2006
November 9, 2006

Should you have any questions regarding the PPRC meeting or have additional information to provide, please contact either Pam Keegan at (916) 323-2539 or Cindy Rounds at (916) 324-6290. They can also be reached via email at pkeegan@sco.ca.gov and crounds@sco.ca.gov, respectively.